Quality of Service Rendered by TWJ Engineering and Mining Supplies

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ABSTRACT TWJ Engineering and Mining Supplies is an emerging, black-owned company that provides engineering fabrication, maintenance and repair services to mining institutions in the Sekhukhune District of Limpopo Province. The research focused on strategy formulation and execution, with specific reference to the quality of services rendered by the company. Forty respondents were interviewed as primary sources from the delineated sample from which data was collected and validated to strengthen the research base. The study aimed to determine how TWJ Engineering and Mining Supplies applies strategies to achieve the organizational mandate set out in its mission and vision. The identified strengths of TWJ Engineering and Mining Supplies include the adoption of a warranty policy and procedure. However, TWJ Engineering and Mining Supplies do not have a customer care unit with standard policies and procedures. Customer complaints should be recorded and managed so that they do not recur. The study will determine if TWR Engineering and Mining Supplies meets the standards set out in its strategic plan. The following recommendations are made: effective planning ensures quality workmanship, quality control of workmanship is critical for the long term survival of the organization and a guarantee must be provided against poor workmanship.

INTRODUCTION

Effective strategic management is vital for the long-term survival of modern organizations (Chanyatipaskul and Wongsurawat 2013: 37-40). Strategic management involves the formulation and implementation of the major goals and initiatives taken by a company’s top management on behalf of the owners. Strategy is defined as, “the determination of the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals” (Oliver 2013: 35-36). Strategies are established to set direction, focus effort, define and clarify the organization, and provide consistency or guidance in response to the environment. Strategic management involves the related concepts of strategic planning and thinking (Speculand 2014: 29-30). Strategic planning is often referred to as involving two major processes: formulation and implementation of strategy (De Feo and Janssen 2014: 4-6). According to their company profile (2011:1), TWJ Engineering and Mining Supplies is an emerging, black-owned company that was established in 2005 under the Close Corporations Act 69 of 1984 as amended. The company was established in the Sekhukhune District of Limpopo Province in the Republic of South Africa in view of the mining operations that have been initiated in the area. According to the Memorandum of Association (2005:1), TWJ Engineering and Mining Supplies was established by two directors, an African male and a female. A management committee has been established by a team of executive managers, which includes: the Managing Director, the Chief Executive Officer, the Chief Operations Officer, the General Manager, the Chief Financial Officer and the Technical Manager. The Management Committee (MC) is responsible for the day-to-day management of the operations and the management of organizational resources-financial, human and assets. The middle management team comprises divisional supervisors that are accountable to the senior management, and operational staff at the lower level, which comprises technical and administrative personnel.

The organization’s mandate as defined in its Strategic Plan (2011: 1) is derived from its mission to deliver excellent, innovative, professional and quality service in the following strategic areas: engineering (fabrication and machining) of
components, hydraulics (repair and remanufac-
turing of hydraulic systems and units), mechanical (rebuilding and repair of trackless mobile machines), extension and maintenance of conveyor systems, and the supply of electrical systems and components.

**Purpose of the Study**

The study aimed to provide guidance to TWJ Engineering and Mining Supplies to plan more effectively. The alignment of strategies is designed to ensure that the broad strategic framework developed at the corporate level filters down to the middle and lower business levels. The study also aimed to provide guidance to TWJ Engineering and Mining Supplies to improve service delivery and the quality of strategic planning. It sought to fill the gaps in the delivery of better quality services to customers and to determine whether this would improve customer satisfaction. When customers are satisfied with the service provided by a supplier they become loyal and purchase from the same supplier on an ongoing basis. However, loyalty is not solely the result of service quality, other factors such as the availability of alternative suppliers or alternative goods and their turnaround time may come into play.

**Problem Statement**

This paper examines the quality of the strategic planning process at TWJ Engineering and Mining Supplies. Customers’ perspectives of the quality of services provided by the company are also evaluated. Recommendations are made to improve strategic planning and service delivery.

Arising from above problem, the paper poses the following questions:
- How effective is the company’s current strategic plan?
- What are customers’ perceptions of the quality of the services provided by the company in the mining industry in the Sekhukhune District of Limpopo Province?
- Has the company developed internal strategies to satisfy its customers?

**Literature Review**

According to Thompson (2010:6), a company’s strategy consists of the competitive moves and business approaches that managers employ to grow the business, attract and satisfy customers, compete successfully, conduct operations, and achieve the targeted levels of organizational performance. Any business is developed for specific reasons, the most important being to make profit for shareholders. Business organizations appoint managers who are responsible for developing and executing strategies in order to remain competitive. The managerial process of crafting and executing a company’s strategy consists of the following:

- Developing a strategic vision where the company determines the kind of business it wants to get involved in
- Setting objectives as a yardstick to measure the company’s direction
- Crafting a strategy to achieve the objectives so as to move the company along the set strategic path
- Implementing and executing the selected strategy in an efficient and effective manner
- Evaluating performance and initiating corrective action in line with the company’s objectives.

Pearce and Robinson (2003:23) define a company’s mission as a broadly framed but enduring statement of the firm’s intent. It embodies the business philosophy of the firm’s strategic decision-makers, defines the image it seeks to project, reflects the firm’s self-concept and indicates its principal product or service areas and the primary customer needs the firm will attempt to satisfy. According to Pearce and Robinson (2003:57), a host of external and internal environmental factors influence a firm’s choice of direction and action. External factors are those a company has no control of as they emanate outside the firm, although every organization should seek to understand them. Internal factors are those that a firm has direct control over and can manage in one way or another. The gap model of service quality developed by Wilson et al. (2008:105) is applied to measure the difference between a customer’s expectations and perceptions. The model identifies four customers’ gaps that have to be closed for them to enjoy maximum satisfaction. The four measurable gaps are:

- **Gap 1**: Not knowing what customers expect
- **Gap 2**: Not selecting the right service designs and standards
- **Gap 3**: Not delivering the service design and standards
Quality planning is not an isolated framework in an organization but is part of a broad strategic planning and execution process at corporate, division, business units and product planning levels. It is, therefore, important for business organizations to develop quality assurance systems to measure levels of customer confidence. The business should place its customers at the core of its establishment at all times.

**METHODOLOGY**

A survey was conducted to collect data. The survey targeted company representatives as well as clients in order to determine these groups’ characteristics as well as opinions and attitudes. A representative sample was chosen from which information was collected through face-to-face interviews. The data collected was analyzed in order to draw inferences from the population that represents the entirety of the company under study and its customers. Structured questionnaires were used to gather data. The interviews offered an opportunity to build a rapport with the participants. They yielded a high response rate as the researcher was in direct contact with the respondents, unlike other methods such as questionnaires that are delivered to a large group of people over a large geographical area. The first research objective was to investigate TWJ Engineering and Mining Supplies’ strategies with regard to quality planning processes. Executive managers, middle managers and employees were interviewed to gain their perspectives. The second research objective was to determine the alignment of strategy formulation and execution with regard to quality service planning. The third research objective was to determine customers’ perceptions of the quality of the services provided by the company in the mining industry in the Sekhukhune District of Limpopo Province. The research design was limited to these key objectives. However, TWJ Engineering and Mining Supplies highlighted other issues that arose during the research process for further action. The questionnaires used for the interviews were designed to cover all the key objectives. Interviews were conducted with the company’s executive manager who has insight into the corporate strategy and has redesigned it to suit customers’ interests as well as middle managers and employees in order to explore the business level strategy and the functional level strategy, respectively. Interviews were also held with the engineering sections of mining companies, as these sections are responsible for product quality and are the means by which TWJ Engineering and Mining Supplies gain entry to a mine. Interviews were held with mechanical engineers, foremen, General Engineering Services (GES) and resident buyers that we classified as customers. At their request, their names and the names of their companies were withheld.

**Population**

The study area was limited to mining institutions in Sekhukhune District supported by TWJ Engineering and Mining Supplies in its core business of engineering fabrication, repairs and maintenance. The study population was 40 male and female individuals comprising executive managers, middle management and employees of the company and buyers, foreman and engineers in the mining institutions who were classified as customers. TWJ Engineering and Mining Supplies supports fourteen mining operations in Sekhukhune and the study was limited to these operations.

**Sampling**

The sample for this study is a total population of 40 individuals employed by the company and the clients who were selected from a sampling frame from which data was collected. The sample was selected from all those who have direct information and knowledge of the kind of services provided and the quality of work expected from the service provider. This population size is all executive managers, some middle managers and some employees at TWJ Engineering and Mining Supplies and individuals at mining institutions that directly benefit from the services provided by the company. This sample size was chosen, as it was not practicable to involve all individuals from the company and the mining institutions. Probability sampling and simple random sampling were applied to all the mining companies at which TWJ Engineering and Mining Services is providing some technical support. Time and financial constraints also influenced the size of the sample. Probability
sampling ensured that the sample represented the population from which it was selected.

**OBSERVATIONS AND DISCUSSION**

The key findings of the study are aligned with the research questions as follows:

**Does Your Company Formulate and Execute Strategies to Ensure Excellent Service?**

It is of critical importance that strategies should be in place to facilitate excellent service in an organization (Speculand 2014: 29-30). The company’s executive managers, middle managers and all employees interviewed, concurred that the company formulates and executes strategies for excellent service provision. The company has a strategic plan, which details its vision and mission; this is a statement of intent, key objectives and milestones in executing its strategies. However, all the customers are not aware about their support organization formulates and executes strategies for quality service provision. It is not necessary for the support organization to discuss its strategies with customers.

**Is There Alignment Between the Formulation and Execution of Strategies for Quality Service Provision?**

Executive strategies must be formulated and executed effectively to assure quality service in the long run (Basu 2014: 31). This question sought to understand the link between business processes and organizational groups through organizational objectives and people and projects at TWJ Engineering and Mining Supplies. Only the executive managers concurred that strategies are aligned to ensure quality service provision. All the middle managers suggested that there are no business process linkages across the entire organization. Similarly, employees and customers are not aware of such linkages.

**Does the Company Use a Strategy Formulation and Execution Model in Strategic Planning Processes Regarding Quality of Services?**

The formulation and execution of strategic planning is important for the long-term survival of the company (Lafley and Martin 2013: 4-9). On the question of a business model for strategic formulation and execution, executive managers and middle managers confirmed that a model is used to guide the choice of direction and action. However, the challenge is that employees are not aware of this model. Furthermore, what is critical is not simply employees’ awareness of strategic planning models, but their involvement in such processes. Understanding such models requires high levels of knowledge, therefore, what is key for employees is not to only understand the models but to understand the processes and participate in such processes. It is also not important for customers to understand whether a company is using various planning models, as they might not derive any benefit from them.

**Is a Responsible Person Assigned to Coordinate the Quality-Planning Process?**

Quality control is essential in succeeding with the planning process (Schroeder 2014: 29). It is important for organizations to assign staff to coordinate quality-planning processes. In the case of TWJ Engineering and Mining Supplies, only executive managers and middle managers are aware of the existence of quality coordinators. As the workforce does not know these people, it is doubtful whether they do, in fact, exist and carry out their work diligently. Customers are also not aware whether or not quality coordinators exist in this company; their existence could be used as a central marketing point to assure customers that their work is in safe hands.

**What Are Your Customers’ Perceptions of the Quality of the Services You Provide?**

Monitoring the perceptions of customers regarding the quality of service rendered is important to determine the actual service provided by a company (Basu 2014: 28). Executive managers, middle managers, employees and the majority of customers agreed that the company offers high quality services. The company can use this as a tool to further entrench itself in the market to out-maneuver competitors. It can also be used to strengthen its existing customer base and secure new customers. A small number of customers claimed that the company does not provide good quality services. The company should therefore ensure that it makes further improvements to address these customers’ concerns.
Does the Company Have Quality Standards for Products and Services?

Goals and objectives must be clearly formulated and conveyed to all levels of an organization (Montague et al. 2014: 117-119). As the company does not have quality goals and objectives, executive managers, middle managers and some employees claimed there are no quality standards to measure deviations in the quality of products. Some employees and all customers stated that they did not know whether or not the company has quality standards. Once again, it is important for TWJ Engineering and Mining Supplies to develop goals and objectives to manage defects and thereafter develop systematic quality standards to measure deviations in the implementation of such goals and objectives. Once these standards are developed, they should be made known across the organization and among customers so as to boost confidence. Quality assurance is a planned and systematic activity to meet customers’ requirements.

Does the Company Have a Customer Care Policy?

A customer care policy is important to address concerns of customers and to identify service delivery problems. It seems that TWJ Engineering does not have such a policy and feedback system in place (Chanyatipasakul and Wongsurawat 2013: 37-40). Executive managers, middle managers and some employees claimed that the company does not have guidelines to ensure customer satisfaction. It is important for TWJ Engineering and Mining Supplies to be aware that customer satisfaction is critical in today’s competitive business world. The company should develop proper guidelines and principles that guide its decisions regarding customer satisfaction. Some employees and all customers did not know whether or not the company has a customer care policy. Once the policy has been formulated, its contents should be made known to customers. This will create confidence among customers that goods and services procured from the company will be of good standard; it would also save the company the cost of breakages.

How is the Policy Communicated to Other Levels of the Organization?

Policy matters should effectively be communicated to all levels of the organization. This seems not to be the case with this engineering company (Kennedy and Avila 2013: 30-36). Executive managers, middle managers and some employees claimed that the policy is not communicated to other levels of the organization. Some employees and the customers stated that they did not know whether or not the quality policy is communicated to other levels of the organization. It is important that formal and consistent information processes are adopted. Regular reports should be fed within the organization in order to facilitate informed decision-making at all levels. To a certain extent, the respondents’ answers confirm that there is no quality policy in place; it cannot be communicated, as it does not exist.

Are Systematic Processes and Procedures Used to Measure Customer Satisfaction?

Systematic implementation of systems and procedures are necessary to ensure and measure customer satisfaction (Kennedy and Avila 2013: 30-34). In this case, executive managers and middle managers claimed that systematic processes and procedures are not used to determine customer satisfaction. Employees and customers stated that they did not know whether or not the company has adopted such processes and procedures. It is highly risky for any business not to understand its customers’ interests and whether or not they are happy with the services provided. TWJ Engineering and Mining Supplies should learn from this research about the importance of tools and procedures that can be used to measure customer satisfaction.

Is There a Mechanism to Ensure that Customer Requirements or Complaints are Recorded?

This question sought to establish whether or not customer requirements or complaints are recorded for future decision-making. Executive managers, middle managers and some employees claimed that there is no such mechanism. The company should ensure that a system is put in place. The majority of the respondents stated that they did not know whether or not customer complaints are recorded for future decision-making. The company could develop an internal management system to monitor complaints with the aim of reducing and eliminating them in order to enhance customer satisfaction.
Does the Company Have Any Warranty Policies in Place to Protect Customers Against Poor Workmanship?

It is standard practice in the engineering industry for companies to adopt warranty policies that protect customers against poor workmanship (Speculand 2014: 29-30). A warranty policy is a mechanism to prevent defects and is a quality control and management system that protects customers against poor workmanship, thereby enhancing their levels of satisfaction. If prices are more or less the same, and the quality offered is comparable, a customer will procure services from a company that has the edge in terms of its warranty period. In responding to this question, all the respondents claimed the company has a warranty policy that protects its customers against poor workmanship. The company can effectively use this policy to market itself and attract more customers. It needs to collect information on its competitors and set more favorable warranty periods in order to outmaneuver its competitors.

CONCLUSION

In conclusion, it is apparent that for TWJ Engineering and Mining Supplies to remain competitive, the company has to develop strategies to guide its long-term survival. More effective long-term strategy formulation will ensure that it outperforms its competitors. The quality management strategy should not be treated separately from the broader strategic management processes that drive the company’s vision, mission, objectives and execution milestones. The strategic management process should be all encompassing from corporate, to business and functional levels. It is important that all employees be given an opportunity to participate in strategic planning processes to ensure synergy and a broader understanding at all levels of the organization. Customer satisfaction and a customer focus are critical to a company’s competitiveness; a company that is interested in delivering quality service should clearly understand its customers. Customer care should be the cornerstone for an organization that strives to satisfy its customers. Once an organization understands its customers’ needs, it is able to plan how to satisfy them. It is important that all organizational levels are involved in quality planning and execution. This would create synergy within the organization and avoid disjuncture in vision and mission formulation, thus promoting customer satisfaction. Information and knowledge dissemination should be a core business process. In many instances, only executive management and some middle management are aware of internal business processes. Employees do not have information on a number of strategic business processes. Communication of these business processes should be elevated to the highest level in the organization. The company is losing both internal and external opportunities by not adopting best practices in serving its customers.

RECOMMENDATIONS

The following recommendations are made:

Planning that Ensures Quality Workmanship

The company has to develop strategic and functional plans it wants, to ensure quality workmanship. The majority of the respondents claimed that TWJ Engineering and Mining Supplies do not have a plan and policy in place to ensure quality workmanship. For the company to be competitive, it needs a clear policy on quality and plans for quality management. There is a perception among executive managers, middle managers and customers that TWJ Engineering and Mining Supplies is providing good quality service.

Quality Management System in the Form of ISO Standards

The next recommendation is for the company to develop a Quality Management System in the form of ISO certification in terms of ISO 9001, which is Quality Management Systems, ISO 14001, an environmental management system and OHSAS 18001, an occupational health and safety system. This verifies whether or not a company has a rigorous quality control system for its products that establishes their characteristics, criteria for rejection for each specification and the maximum percentage of tolerance or rejection that is acceptable for each process area.

Appointment of Personnel Responsible for Quality Control

Related to quality planning and management is the appointment of personnel responsible for quality control. Such individuals will assist the
company to reduce costs due to defects in the production process. The quality controller should be known across the company, as it is evident that communication and information dissemination between various levels of the company is a serious issue.

Customer Care

It was established that the company does not have a customer care policy. Such a policy aims to enhance customer satisfaction, which is important in any business. When customers are satisfied with a service or product, they recommend that service to others. Related issues that need to be addressed include the establishment of a team that specializes in customer care. This team should be trained in customer care management and how to treat customers. It should develop opinion polls to collect information on customer satisfaction. This team should be known across the entire company.

Warranty Against Poor Workmanship

The fact that all customers are aware of the company’s warranty policy could be exploited in future marketing and sales promotions. The company should build more publicity to promote sales across the entire mining industry. This could give TWI Engineering and Mining Supplies leverage over its competitors, as most do not provide such a warranty.

LIMITATIONS OF THE STUDY

The study focused on one engineering company. Its conclusions and recommendations are therefore only applicable to TWJ Engineering and Mining Supplies. A comparative study that included other engineering companies in Limpopo Province would have been ideal, but this was not possible due to financial and time constraints. This would enable comparison over time from which many lessons could be drawn and could also verify the findings of the present study. Whatever form future research takes, it is important that it considers the participation of affected beneficiaries. It is important that company employees at all levels play an active role in the research process. This would empower the company and its employees. The company could also consider expanding this research to include other areas in Limpopo Province in order to determine the differences.

POSSIBLE FUTURE RESEARCH BY TWJ ENGINEERING AND MINING SUPPLIES

No previous research on quality service provision has been conducted in mining areas around the Sekhukhune District Municipality. This is the first of such studies and thus provides a basis for further research. The company could partner with researchers and training institutions to take this research forward. For example, a similar study could be conducted in five years’ time to determine how TWJ Engineering and Mining Supplies’ business has developed. This would enable comparison over time from which many lessons could be drawn and could also verify the findings of the present study. Whatever form future research takes, it is important that it considers the participation of affected beneficiaries. It is important that company employees at all levels play an active role in the research process. This would empower the company and its employees. The company could also consider expanding this research to include other areas in Limpopo Province in order to determine the differences.

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